GM President Robert Stempel described CAFE as "fundamentally a bad law" AUTOMOTIVE NEWS/JOE WILSSENS

Stempel: 4 GM plants periled if CAFE rises

By Geoff Sundstrom and Dutch Mann
AUTOMOTIVE NEWS STAFF REPORTERS

Maintaining that General Motors has used up all existing technology to meet federal fuel economy laws, the company's president said it would have to close assembly plants if the government continues to raise the standard.

"If we have used up all the technology to gain increased fuel economy . . . and can get only 26 miles per gallon, then there is a need for a change" in the law, Robert C. Stempel said last week. He scorned the current corporate average fuel economy standard as "fundamentally a bad law."

"We're not planning on closing anyplace. I would run until my back is against the wall before I would 'take her down,' " Stempel said of plant closings. But he added that if NHTSA raises the 1989 requirement to between 26.5 and 27.5 mpg from 1988's level of 26.0 mpg, as it said it would, then as many as four plants would be threatened.

Stempel made his remarks at the Detroit Economic Club the same day NHTSA held a hearing in Washington on setting 1989- and 1990-model-year CAFE levels.

The GM president said any plant producing large, rear-wheel-drive cars would be vulnerable as a result of higher CAFE laws. He named the firm's Arlington, Texas, plant as one of the four plants affected.

NHTSA is expected to set the new standard before the end of the month.

GM's Arlington plant, near Dallas-Fort Worth, employs 4,000 workers and assembles the Cadillac Brougham, Chevrolet Caprice and Oldsmobile and Chevrolet full-sized station wagons.

If GM does not meet the CAFE standard, it would have to pay penalties as high as $100 million, something the company has said it will not do.

Several environmental groups, the Center for Auto Safety and the Insurance Institute for Highway Safety testified in opposition to a rollback, saying lower CAFE standards would result in more air pollution and allow an increase in the production of dangerous high-performance automobiles.

GM discounted those arguments, however, and delivered to Transportation Secretary James Burnley 5,000 letters from Arlington plant workers, their families and suppliers supporting GM's position.

Richard Klimisch, GM executive director for environmental activities, told NHTSA that GM has not been able to sell enough U.S.-built small cars to boost its average fuel economy rating. He said GM believes it must offer larger engines and cars to regain market share.

Under questioning by NHTSA officials, Klimisch said plant closing is the only option left if the CAFE standard is not reduced. He said it is unlikely GM could raise the foreign content of its large cars in time to qualify for import status under the law for 1989.

The highest foreign content in any vehicle counted in GM's domestic fleet is 10 percent, Klimisch said.

The CAFE law requires companies to average the fuel economy of their domestic and import fleets separately. Vehicles are designated imports if they have a foreign content of 25 percent or more. GM says a change now in 1989 standards will not allow enough lead time to make the change through outsourcing.

Spokesmen for Ford Motor Co. said their company supports a rollback of the CAFE standard for 1989 and 1990 but didn't join GM's petition because it believes it can meet 27.5 mpg by using credits from previous years.

The Automobile Importers of America called for a rollback to 26 mpg. The group claimed many of its members find it impossible to meet the CAFE standard because they do not manufacture small, high-mpg cars.

Chrysler Corp. did not comment at the proceeding, but a Washington spokesman said the company is concerned about CAFE's future, especially if fuel prices remain at current levels and consumer demand for larger engines increases. Chrysler believes that imposition of a fuel tax is the best way to conserve energy, he said.

Three witnesses said the CAFE standards should be abolished because they tend to limit the availability of larger, safer cars.

Speaking for the anti-regulatory group, Competitive Enterprise Institute, chief counsel Sam Kazman said a CAFE standard of 26.5 mpg "will cause over 1,500 needless fatalities in the 1989 car fleet."

Barry Felrice, NHTSA associate administrator for rulemaking, indicated the agency is preparing a study on the safety impact of CAFE but did not say when it would be released.

'Hybrid' LeBaron sedan studied

Proposed Chrysler would borrow parts from A-, H-, J-bodies

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Motors is considering introducing late in the 1990 model year a new Chrysler LeBaron four-door sedan derived from the company's intermediate-size H-body platform.

The current H-body LeBaron five-door hatchback would be dropped at that time.

The new sedan is a "combined hybrid body" based on the H-body, utilizing "pieces of the H-body, A-body and J-body," said Joseph A. Campana, Chrysler Motors vice president of Chrysler-Plymouth marketing.

The H-bodies are the Chrysler LeBaron GTS and Dodge Lancer. The A-bodies are the Dodge Spirit and Plymouth Acclaim sedans being launched in January. The J-bodies are the Chrysler LeBaron coupe and convertible.

Campana said the new sedan will be more consistent with the luxury image being cultivated by the Chrysler brand.

"Upscale buyers prefer sedans to hatchbacks," Campana said.

The move would also benefit the Chrysler brand by allowing it to market a full line of sedans by the end of the 1990 model year.

Dropping the LeBaron hatchback from the Chrysler lineup will also further the company's brand differentiation by making the H-body Dodge Lancer exclusive to that division. If the sedan indeed joins the Chrysler lineup, the brand would have three distinct sedan models by the end of the 1990 model year.

Although its rear-wheel-drive M-body Chrysler Fifth Avenue is scheduled to go out of production at the end of 1988, Chrysler will market the C-body front-wheel-drive New Yorker and New Yorker Landau, introduced in the 1988 model year.

Expected to be introduced in the 1990 model year are the front-wheel-drive Y-body Chrysler Imperial, followed by the Y-body Chrysler Fifth Avenue. The Y-bodies are to be the flagship vehicles of the Chrysler fleet.

Engineering sources said the Y-body wheelbase is 109.3 inches, five inches greater than the C-body New Yorker on which it is based. The Y-sedans have a front, rear and roof distinct from the New Yorker Landau.

The addition of a sedan based on the intermediate-sized H-body would permit Chrysler dealers to target a range of sedan buyers. The H-body has a 103.1-inch wheelbase.

Dropping the LeBaron hatchback will further brand differentiation by making the H-body Dodge Lancer exclusive to that division.

Chrysler, in the 1989 model year, has pared down the offerings under the LeBaron nameplate. Dropped from the 1989 lineup are the LeBaron four-door notchback sedan and the LeBaron Town & Country wagon.

The LeBaron lineup now consists of the J-body coupe and convertible and H-body hatchback sedan. A performance version of the coupe/convertible is designated the GTC. Only the turbo sedan carries the GTS designation in 1989. Previously, all five-door hatchbacks carried the GTS name.

Campana also said Chrysler is seeking to increase its LeBaron convertible production capacity and anticipates selling 50,000 units in the 1989 model year.

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MITCHELL: *Put GM in forefront of automotive styling*

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — In the midst of the historic design and engineering project that resulted in General Motors downsizing its full-sized cars for 1977, GM Design Vice President William L. Mitchell wanted to make a point.

So he took an entourage of GM executives, including then-president Edward N. Cole, through a styling studio to view clay models.

When the group stopped to admire a particularly low, sleek effort, Mitchell decided to demonstrate the kind of restrictions he faced.

"Now show Mr. Cole what kind of extra space the engineers will need to fit in the air cleaner," Mitchell said, turning to a young staff member.

On cue, his associate produced a shoe box and plunked it down in the center of the hood, to the startled dismay of all.

"Bill Mitchell certainly had flair," recalled William T. Collins Jr., a Detroit-area engineering consultant who was GM's project manager for the downsizing effort. "And he certainly knew how to make a point."

Mitchell, who retired as GM design staff vice president in 1977 and whose work influenced worldwide automotive design for nearly half a century, died of congestive heart failure Sept. 12 in Royal Oak, Mich. He was 76.

It was during Mitchell's tenure that GM became the styling leader in the United States, first with cars like the Buick Riviera and the Pontiac Grand Prix, and later with the Cutlass Supreme and eventually the downsized B- and C-body full-size cars that bowed as 1977 models.

It also was under Mitchell's influence that the operation was renamed Design Staff in 1972, reflecting influence and responsibility more pervasive than just styling.

see MITCHELL, page 6

William L. Mitchell designed the '63 Corvette

Import inventories fall to 1988 low point

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Combined import car and truck stocks on Sept. 1 fell to the slimmest level in 1988.

Unsold imported cars on Sept. 1 totaled 606,740, equivalent to a 58-day supply. That was comparable to the year-earlier count of 606,500, which represented an even leaner 50-day supply at a time when imports were selling faster.

Compared to a month ago, the Japanese share of unsold cars in this country grew a fraction of a point while European car makers reported nearly a percentage point drop in their share.

Imported-car stocks fell 24,777 units or 3.92 percent below the month-ago inventory of 631,517, representing a 61-day supply.

The domestic-car stockpile, reported by Automotive News last week, totaled 1,315,919, equivalent to a 59-day supply. Combined stocks of unsold domestic and imported cars totaled 1,922,659, representing a 59-day supply.

September opened with a much reduced supply of imported trucks, although the 56-day supply estimate was exactly the same as a year ago because of a much more sluggish sales pace. The Sept. 1 total was 159,522, which was 44,960 units or nearly 22 percent below the year-ago total of 204,482 trucks. Both years' import truck stockpiles were 56 days.

Combined imported vehicle stocks on Sept. 1 at ports of entry, in transit within the United States and at dealerships totaled 766,262, a 58-day supply versus last month's 815,505, a 63-day supply. A year ago there were 810,982 vehicles, or 52-days' worth.

Import car dealers agreed that inventory numbers were lean or just about on target.

"We're just about right with the closing for end of model year," said Joe Beam, sales manager, Moultrie Nissan, Albertville, Ala. "We have a 30-day supply. One reason inventories are lower is we are not taking the cars we did."

The Big 3 automakers began September with 73.35 percent of the combined domestic and import car stocks. The three major Japanese firms with transplant operations here — Toyota, Nissan and Honda — had 10.15 percent of unsold car stocks.

The six carmakers shared combined inventories as follows: General Motors, 39.17 percent; Ford Motor Co., 21.25 percent; Chrysler Motors, 12.93 percent; Nissan, 6.23 percent; Toyota, 2.18 percent; and Honda, 1.74 percent. All other foreign carmakers took 16.50 percent of combined car stocks.

The Sept. 1 import-car inventory share by country was: Japan, 60.41 percent; Germany, 16.93 percent; and others, 22.66 percent.

Japanese carmakers shared 52 days' worth of imported cars at August's daily selling rates on Sept. 1. That represented the same days-supply level as a year ago.

The slimmest import and domestic car inventories belonged to Honda with a 17-day supply and Toyota with 18 days' worth of imported and U.S.-built cars on Sept. 1. Nissan had a combined stock total representing 74 days' worth.

Japanese carmakers with reduced but high import stock levels included Chrysler's captive Mitsubishi line which still had a 130-day supply and Isuzu which reported a sluggish 103-day supply.

Fatter stocks were reported by Honda's Acura Division, which had 12.57 percent more cars for a 52-day supply on Sept. 1. Mazda's import unit count was slightly higher but at August's sales pace equalled a 46-day supply.

Nissan cut its import-car stocks by 8.82 percent to represent an 85-day supply of cars on Sept. 1 versus a 95-day supply a month ago.

German carmakers shared an 82-day supply of unsold cars on Sept. 1. Audi stocks were whittled from a 198-day supply last month to an 89-day supply on Sept. 1. BMW, Mercedes-Benz, Porsche and Volkswagen all reduced their inventory and days-supply numbers on Sept. 1. Of the Germans, only Ford's Merkur stocks grew significantly (44.68 percent) to equal a 105-day supply.

Foreign carmakers reporting thin stocks were Jaguar with a 26-day supply. Volvo's inventories were reduced by 30.80 percent to an equivalent of a 47-day supply from 69 days' worth on Aug. 1.

IMPORT DAYS' SUPPLIES

	Sep. 1, 1988	Aug. 1, 1988	Sep. 1, 1987
Chevrolet	88	96	110
Chrysler/Mitsubishi	130	141	80
Acura	52	48	27
Daihatsu	83	71	—
Honda	22	14	11
Isuzu	103	134	54
Mazda	46	46	35
Mitsubishi	84	89	84
Nissan	85	95	92
Subaru	79	90	90
Toyota	17	17	21
JAPAN	52	52	51
Audi	89	198	83
BMW	77	83	60
Mercedes-Benz	44	50	52
Merkur	105	59	44
Porsche	82	89	98
VW*	98	121	89
GERMANY	82	96	64
Alfa Romeo	91	91	65
Festiva	103	116	29
Hyundai	37	45	63
Jaguar	26	44	16
Peugeot	52	54	88
Pontiac	86	89	41
Eagle/Renault	310	493	237
Saab	62	70	46
Sterling	80	89	72
Volvo	47	69	44
Yugo	103	105	54
Other Countries	63	74	44
Total Import Cars	58	61	51
Isuzu	94	121	97
Mazda	68	66	29
Mitsubishi	130	110	80
Nissan*	51	73	88
Range Rover	53	49	31
Suzuki	15	75	18
Toyota	34	31	42
Chrysler	137	140	84
Total Import Trucks	56	68	56
Total Imp. Vehicles	58	63	52

*Includes domestic vehicles

IMPORT SALES BY MODEL

	Aug. 1988	Aug. 1987	8 Mos., 1988	8 Mos., 1987
ACURA	12,448	10,317	84,815	70,155
Integra	6,106	4,629	39,756	37,778
Legend	6,342	5,688	45,059	32,377
ALFA ROMEO	366	523	3,433	4,575
Milano	190	225	1,711	1,858
Spider	196	298	1,722	2,717
AUDI	3,220	2,694	16,601	32,143
4000S	13	1,387	200	7,666
4000CS Quattro	7	445	72	2,140
5000S	624	389	4,881	15,755
5000CS Turbo	75	87	832	2,974
5000CS Turbo Quattro	42	133	952	2,352
80	763	0	4,243	0
90	907	0	4,308	0
100/200	580	0	651	0
100/200 Quattro	191	0	214	0
Coupe GT	18	253	248	1,256
BMW	6,563	8,057	47,262	58,915
318i	0	0	9	15
524 TD	0	1	3	28
325	3,119	5,569	24,991	39,114
528e	1,266	811	7,094	6,540
535i/535iS	445	434	3,273	4,707
6-Series	214	132	1,283	1,281
7-Series	1,253	870	8,726	6,150
M3	166	159	1,230	420
M5	34	42	268	216
M6	66	39	385	444
CHEVROLET	11,078	15,335	85,918	87,823
Spectrum	6,022	7,927	52,891	52,131
Sprint	5,056	7,408	33,027	35,692
CHRYSLER/MOTORS	11,161	14,314	89,352	0
Colt	7,009	8,433	57,824	55,888
Conquest	762	1,070	7,442	8,706
Medallion	900	1,382	9,927	8,320
Summit	573	0	573	0
Vista	1,917	3,498	13,586	21,932
DAIHATSU	1,152	0	7,545	0
FORD Festiva	6,575	5,172	47,698	10,529
HONDA	20,602	23,472	165,842	182,871
Civic/CRX	6,536	11,879	73,186	84,069
Accord	12,224	6,914	60,908	60,486
Prelude	1,842	4,679	31,748	38,316
HYUNDAI	25,119	26,850	191,772	184,378
ISUZU	3,197	5,874	17,382	27,179
I-Mark	2,248	5,372	11,513	22,452
Impulse	949	502	5,869	4,727
JAGUAR	1,645	2,084	13,081	14,148
XJ6	1,211	1,443	9,891	10,679
XJS	434	641	3,190	3,469
MASERATI	30	66	990	654
MAZDA	20,872	20,756	156,096	130,365
323	8,803	8,522	63,641	48,157
626	6,473	6,634	46,538	54,104
MX-6	602	404	6,896	404
929	2,667	87	18,217	87
RX-7	2,318	5,109	20,795	27,613
MPV	9	0	9	0
MERCEDES BENZ	8,799	7,483	57,745	60,003
190	1,650	1,558	12,506	12,460
260E	454	519	4,783	3,820
300	2,115	1,899	17,376	15,721
300SDL Turbo	1	604	89	4,810
300SEL	224	0	3,827	0
420SEL	627	1,388	5,839	9,412
560SEL	443	440	3,592	4,046
560SL	1,004	930	8,071	7,819
560SEC	118	116	1,061	1,156
Tourist	103	50	801	750
MERKUR	1,756	2,482	10,136	9,537
XR4Ti	477	1,170	3,514	5,985
Scorpio	1,279	1,312	6,624	3,542
MITSUBISHI	7,606	6,351	48,486	47,482
Starion	319	474	2,285	3,936
Cordia	740	230	4,374	2,718
Tredia	21	659	455	3,837
Mirage	1,606	832	8,681	10,689
Galant	2,368	748	13,401	7,436
Precis	1,736	2,944	14,679	14,055
Van/Wagon	816	464	4,611	4,811
NISSAN	29,986	33,747	245,669	279,878
Sentra	12,015	7,963	96,369	78,059
Pulsar	4,119	5,915	35,211	44,947
Stanza	3,003	5,655	32,545	43,840
Maxima	6,565	9,330	48,717	62,546
200SX	2,843	2,421	15,681	23,225
300ZX	1,220	2,246	14,476	25,056
Hawaii	221	217	2,670	2,205
PEUGEOT	573	793	4,589	6,086
PONTIAC LeMans	4,642	9,510	40,803	18,813
PORSCHE	1,247	2,137	11,390	17,013
924S	371	366	1,976	2,105
944	216	678	2,746	4,485
944S	28	130	320	1,604
944 Turbo	112	215	1,257	1,802
911 Coupe	217	333	2,220	2,958
911 Turbo	78	131	775	1,061
911 Cabriolet	130	145	1,325	1,637
928S	95	139	971	1,360
SAAB	4,019	4,657	26,876	31,498
900	717	1,091	4,557	6,756
900S	1,122	1,606	7,222	10,256
900 Turbo	1,087	922	6,526	6,160
9000S	376	402	2,391	2,467
9000 Turbo	677	560	5,526	5,229
Tourist	40	76	652	630
STERLING	930	1,426	6,582	9,317
SUBARU	14,515	17,745	101,710	109,695
Hatchback	422	839	3,993	5,025
3-Door	939	1,400	5,771	9,192
4-Door Sedan	2,776	3,898	20,626	26,979
XT	1,595	1,565	9,947	13,066
Station Wagon	6,420	8,684	43,189	48,615
Justy	2,363	1,359	18,184	6,818
TOYOTA	58,466	61,451	401,546	357,513
Corolla	14,238	10,928	101,641	65,235
Tercel	9,746	11,353	62,318	62,726
Celica	6,568	9,644	45,551	53,588
Supra	1,615	3,003	13,826	19,911
Camry	21,641	20,725	140,953	113,868
Cressida	1,067	2,291	7,878	14,410
Land Cruiser	302	366	4,745	2,697
Van	392	1,272	3,858	9,561
4Runner SR 5	2,240	201	14,716	1,111
MR2	657	1,321	6,060	11,235
Hawaii	0	347	0	3,171
*VOLKSWAGEN	14,272	11,002	99,297	88,135
Cabriolet	1,376	1,243	9,782	10,638
Jetta	4,186	2,976	38,098	38,384
Golf/GTI	2,267	0	4,266	0
Vanagon	407	1,201	3,996	7,025
Quantum	376	855	2,080	4,559
Scirocco	476	881	2,423	5,043
Fox	5,184	4,046	38,652	22,486
VOLVO	9,625	10,080	68,015	80,951
240 Series	4,001	4,624	26,871	39,218
740 Series	3,944	3,784	23,616	31,206
760 Series	1,406	1,474	7,675	9,041
780	190	82	1,116	214
Tourist	82	116	537	1,272
YUGO	3,504	4,200	23,496	35,272
IMPORT TOTAL	281,968	308,847	2,073,729	2,049,832

*Volkswagen has reported sales of U.S.-built Golf and GTI models as imports after June 30, 1988.

Compiled by Karen Dellorenzi

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Auto trade deficit dips; June total 8.8% brighter

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The U.S. automotive trade deficit in passenger cars and light trucks showed continued improvement in June, falling 8.8 percent, although the value of both imports and exports was lower than in June 1987.

The June drop in the automotive trade deficit followed a 13.8 percent drop in May. The trade balance improved because both the value and quantity of imports declined at a faster rate than exports. Export value declined 6.1 percent for the month, while import value fell 8.2 percent.

Trade numbers from the U.S. Commerce Department show a trade deficit for passenger cars and light trucks of $3.595 billion for June. Total car and truck exports had a value of $896.3 million during the month. Monthly car and truck imports were valued at $4.491 billion. The automotive trade deficit for June 1987 was $3.940 billion.

Passenger-car exports reached 68,801 vehicles with an estimated value of $726.9 million in June. Light-truck exports for the month were 16,911 vehicles with an estimated value of $169.4 million.

Passenger-car exports were up 495.4 percent to Japan, but dropped 27.4 percent to Canada. Total car exports declined 11.1 percent, to 68,801 vehicles.

On the import side, Japan recorded another downturn for the month in both the quantity and value of car and truck shipments. Only Brazil and Canada showed import growth in June.

Shipments declined from Mexico, West Germany, South Korea, Sweden, Yugoslavia, United Kingdom, Italy and France.

Total car and truck imports had a value of $4.491 billion in June, down 8.2 percent from $4.895 billion in June 1987. There were 433,562 finished vehicles imported to the United States in June, compared with 519,729 vehicles in June 1987.

Passenger-car imports reached 357,932 units for the month, with a value of $3.879 billion. Imports of light trucks totaled 75,630 units, with a value of $612.1 million. The value of imported trucks increased 14.7 percent in June, although shipments fell 10.5 percent.

Japanese-car imports dropped 24 percent for the month and the value of the shipments fell 19.8 percent. Japanese truck imports were off 29.8 percent and their value was down 28.8 percent. Japan shipped 167,077 cars to the United States in June, down from 219,856 cars one year earlier. Truck shipments totaled 46,025 units, down from 65,557 units one year ago.

West Germany, Sweden, United Kingdom, Italy and France all shipped fewer cars to the United States in June than in June 1987, continuing a year-long trend. Mexico also shipped fewer cars for the month but has been increasing shipments for most of the year.

South Korean shipments showed continued interruption from labor troubles, dropping 57.1 percent. German shipments were off 47.7 percent. Sweden's shipments were down 21.9 percent. French and Italian manufacturers — who already ship only a small number of cars — sent 71.7 percent and 60 percent fewer vehicles, respectively, to the United States for the month.

Imports from the United Kingdom were off 43.5 percent. Yugoslavia saw exports to the United States fall 83.8 percent for the month, after falling 52 percent in May. Imports from Mexico were 12,380 vehicles, down from 15,190 one year ago.

Canadian-car imports gained 36.3 percent for the month, to 121,302 units, and Brazil's imports totalled 3,198 units, up from 2,160 vehicles in June 1987.

U.S. AUTOMOTIVE TRADE BY VALUE
(x $1,000)
Passenger cars

Country	Trade	June 1987	June 1988	July 1986-June 1987	July 1987-June 1988
Japan	Export	$ 2,958	$ 14,533	$ 52,554	$ 133,608
	Import	1,914,778	1,536,215	21,378,093	20,539,716
Canada	Export	697,331	518,305	5,459,879	6,000,215
	Import	924,053	1,344,378	10,751,880	12,070,535
West Germany	Import	757,807	467,345	8,870,509	7,364,064
South Korea	Import	248,467	111,455	1,426,595	2,394,113
Sweden	Import	183,350	164,106	1,963,812	1,671,675
Mexico	Import	149,890	105,952	540,224	1,275,848
Yugoslavia	Import	17,850	3,914	400,489	122,285
United Kingdom	Import	98,436	78,872	709,381	1,187,017
Italy	Import	13,572	10,336	398,053	171,906
France	Import	25,636	7,165	168,423	153,884
Brazil	Import	10,423	19,103	62,603	366,371
Others	Export	54,803	194,103	641,436	1,328,402
	Import	17,103	30,406	236,100	291,119
Car total	Export	765,092	726,941	6,153,869	7,462,225
	Import	4,361,165	3,879,246	46,909,162	47,578,536
Trade balance		(3,596,073)	(3,152,305)	(40,755,293)	(40,116,311)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	$ 177,111	$ 128,797	$ 1,443,333	$ 1,704,149
	Import	142,874	337,502	1,855,909	2,621,777
Japan	Import	366,548	261,115	5,034,538	3,390,992
Mexico	Import	16,264	1,492	132,279	29,019
Others	Export	12,276	40,561	151,615	315,058
	Import	7,753	12,016	51,119	134,530
Truck total	Export	189,387	169,358	1,594,948	2,019,207
	Import	533,459	612,124	7,073,845	6,176,318
Trade balance		(344,072)	(442,766)	(5,478,897)	(4,157,111)
Car and truck total	Export	954,479	896,299	7,748,817	9,481,432
	Import	4,894,624	4,491,370	53,983,007	53,754,854
VEHICLE TRADE BALANCE		(3,940,145)	(3,595,071)	(46,234,190)	(44,273,422)
TOTAL U.S. Merchandise trade (customs value)	Export	21,107,500	26,811,800	233,932,700	290,651,700
	Import	34,418,100	37,807,600	381,681,600	426,563,700
TRADE BALANCE		(13,310,600)	(10,995,800)	(147,949,100)	(137,912,000)

U.S. AUTOMOTIVE TRADE BY QUANTITY
Passenger cars

Country	Trade	June 1987	June 1988	July 1986-June 1987	July 1987-June 1988
Japan	Export	196	1,167	3,307	10,920
	Import	219,856	167,077	2,475,251	2,266,942
Canada	Export	72,299	52,471	570,345	578,724
	Import	88,976	121,302	1,014,446	1,087,524
West Germany	Import	30,892	16,165	418,205	294,294
South Korea	Import	48,497	20,793	289,067	453,376
Sweden	Import	13,447	10,505	150,112	110,091
Mexico	Import	15,190	12,380	63,330	146,789
Yugoslavia	Import	7,276	1,177	53,812	46,910
United Kingdom	Import	4,566	2,581	36,759	44,032
Italy	Import	498	199	23,960	7,380
France	Import	2,699	763	28,062	14,415
Brazil	Import	2,160	3,198	13,326	68,179
Others	Export	4,859	15,163	48,310	101,609
	Import	1,151	1,792	16,061	18,327
Car total	Export	77,354	68,801	621,962	690,353
	Import	435,208	357,932	4,582,391	4,558,259
TRADE BALANCE		(357,854)	(289,131)	(3,957,429)	(3,867,906)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	18,294	13,685	155,886	170,372
	Import	16,932	29,584	201,675	242,669
Japan	Import	65,557	46,025	939,118	604,879
Mexico	Import	2,031	5	17,262	3,093
Others	Export	1,040	3,226	12,898	24,939
	Import	1	16	1,009	1,727
Truck total	Export	19,334	16,911	168,784	195,312
	Import	84,521	75,630	1,159,064	852,368
Trade balance		(65,187)	(58,719)	(990,280)	(657,056)
Car and truck total	Export	96,688	85,712	790,746	885,665
	Import	519,729	433,562	5,741,455	5,410,627
TRADE BALANCE		(423,041)	(347,850)	(4,950,709)	(4,524,962)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.

Ford, college to help young entrepreneurs

TOLEDO, Ohio — The University of Toledo, Cimarron Express and Ford Motor Co. have teamed up to sponsor the Youth Entrepreneurship Program for Toledo-area minority students.

The program is designed to educate minority students in basic business disciplines and expose them to successful minority entrepreneurs.

Twenty-five Toledo high school students were selected from more than 150 applicants to participate in the eight-week program.

Cimarron Express, a minority-owned and operated transportation firm based in Genoa, Ohio, was established in 1984 and operates in 23 states. Cimarron is a major carrier of automotive parts for Ford.

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AUCTION DATES

Chrysler Motors

Sept. 20 — Dallas Auto Auction, Grand Prairie, Texas; Arena Auto Auction, Chicago; Greensboro Auto Auction, Greensboro, N.C.; Hatfield Auto Auction, Hatfield, Pa.; Riverside Auto Auction, Riverside, Calif.; and Southern Auto Auction, Warehouse Point, Conn.

Sept. 21 — A.D.E. of Birmingham, Birmingham, Ala., and Columbus Fair Auto Auction, Obetz, Ohio.

Sept. 22 — Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; and Southwest Auto Auction, Phoenix, Ariz.

Sept. 23 — St. Louis Auto Auction, Bridgeton, Mo.

Sept. 27 — Florida Auto Auction of Orlando, Ocoee, Fla.; American Auto Auction, Walpole, Mass.; Denver Auto Auction, Aurora, Colo.; Nashville Auto Auction, Nashville, Tenn.; South Seattle Auto Auction, Kent, Wash., Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Sept. 28 — Minneapolis Auto Auction, Plymouth, Minn., and Butler Auto Auction, Gibsonia, Pa.

Sept. 29 — Clanton's Auto Auction, Darlington, S.C.; Northway Exchange, Clifton Park, N.Y.; The Big Sky Auto Auction Inc., Billings, Mont.; Aptco Auto Auction, Taylor, Mich.; Ark-La-Tex Auto Auction, Shreveport, La.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Salt Lake Auto Auction, Salt Lake City.

Ford Motor Co.

Sept. 20 — South Seattle Auto Auction, Kent, Wash.

Sept. 21 — Wednesday Auto Auction, Obetz, Ohio; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; and Southern California Auto Auction, Fontana, Calif.

Sept. 22 — Greater Chicago Auto Auction, Chicago; Denver Auto Auction, Aurora, Colo.; Skyline Auto Exchange, Fairfield, N.J.; and St. Louis Auto Auction, Bridgeton, Mo.

Sept. 27 — Bay Cities Auto Auction Inc., Hayward, Calif.

Sept. 28 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; and Salt Lake Auto Auction, Salt Lake City.

Sept. 29 — Interstate Auto Auction, Mercer, Pa., and Nashville Auto Auction, Nashville, Tenn.

General Motors

Sept. 20 — A.D.E. of Birmingham, Moody, Ala.; Florida Auto Auction of Orlando, Ocoee, Fla.; and National Auto Dealer Exchange, Bordentown, N.J.

Sept. 21 — Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Indianapolis Auto Auction, Indianapolis.

Sept. 22 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; Nashville Auto Auction, Nashville, Tenn.; and Colorado Auto Auction, Commerce City, Colo.

Sept. 27 — Southern Auto Auction, East Windsor, Conn., and Dallas Auto Auction, Grand Prairie, Texas.

Sept. 28 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fremont, Calif.; and Omaha Auto Auction, Omaha, Neb.

Sept. 29 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah.

Used Car Sales
Auction Averages

September88	$5,874
Month ago	$5,848
Year ago	$6,050

Model Breakdown
Auction Averages

	SEPT. 1988	AUGUST 1988	JULY 1988
1988	$10,113	$12,473	$11,408
1987	$7,311	$7,919	$8,407
1986	$6,904	$6,891	$6,830
1985	$5,533	$5,819	$5,881
1984	$4,308	$4,308	$4,378
1983	$3,766	$3,583	$3,718
1982	$2,621	$2,479	$2,464
1981	$1,851	$1,887	$1,952
Overall Average	$5,874	$6,019	$5,855

Ferrari prices shooting up

A rare Ferrari 250 P — one of only five built and the only one known to exist — brought $2.75 million at the Monterey (Calif.) Sports Car Auction.

It took only seven minutes to sell the bright red, 12-cylinder Ferrari. The Ferrari won the 12-hour race at Sebring, Fla., in 1963.

"Ferrari prices are much stronger than a year ago, and I can't help but believe that the death of Enzo Ferrari has had something to do with it," said auction head Rick Cole.

The new owner of the vehicle is Mark Smith of the Old Philadelphia Motor Car Museum, who bought the historic auto from Harley Cluxton of Phoenix, Ariz.

Enzo Ferrari died in Italy at the age of 90 on Aug. 14, only five days before the Monterey auction.

GE builds in Florida

Construction is nearly complete on a new $1.2 million facility for St. Pete Auto Auction, a GE Capital Auto Auction based in Clearwater, Fla.

The eight-lane auction with 20 acres of paved parking will include a full-service reconditioning center, an expanded service counter and automated office systems.

The former facility, which is being converted to a reconditioning center, had four lanes. The additional lanes will double capacity to 1,000 vehicles at the weekly Thursday evening sale.

AUCTION BRIEFS

CHARLES THOMAS

Ford prices climb 2.6% on '89 cars

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Ford Motor Co. has placed itself squarely between Chrysler Motors and General Motors in raising 1989 car prices an average of 2.6 percent over comparably equipped 1988 models.

GM's and Chrysler's increases, announced last month, amounted to 2.9 percent and 2.3 percent, respectively.

Ford's truck prices, meanwhile, will rise an average of 3.1 percent, the company said. As with the cars, the percentage has been adjusted to reflect improvements and equipment that has been made standard.

Ford's actual car sticker prices, however, will go up an average of 4.2 percent, according to Automotive News calculations.

In making its announcement last week, Ford also lifted prices on six car lines by an additional 1.5 percentage points over 1989 presale prices. Those lines — Ford Mustang and Crown Victoria; Mercury Grand Marquis; and Lincoln Town Car, Mark VII and Continental — have had some of the lowest inventories in Ford's lineup.

Their 1989 prices rose 3.3 percent when Ford issued a tentative price list in early August. Last week's action boosted final prices 4.8 percent above 1988 levels.

Customers who have already ordered one of those models will pay no more than the presale price, a Ford spokesman said. On the Mustang LX models, the one series where final prices were lower than the presale figures, customers will be refunded the difference, which amounts to less than 1 percent.

For 1989, the Continental Signature has the biggest price increase. It has gone up $1,966, to $29,910. Changes include the addition of driver- and passenger-side air bags as standard equipment.

At the other extreme, the Festiva L rose $104, or 1.9 percent. It is unchanged for 1989. At $5,699, it is Ford's only model under $6,000.

On a comparably equipped basis, Ford's price increases range from no change on the Mustang LX convertible to 5.3 percent on the Crown Victoria wagon, Ford said. Although the convertible is up $437, power windows and power locks have been made standard. The Crown Victoria standard wagon, meanwhile, is up $897 while undergoing little change.

Ford attributed the increases to higher costs for labor and materials.

Actual percentage increases on Ford's product lines are as follows. They are grouped according to Automotive News classifications.

Subcompacts: Ford Festiva, 2.64 percent; Escort, 2.87 percent. Mercury Tracer, 3.75 percent.

Compacts: Ford Tempo, 4.5 percent. Mercury Topaz, 4.2 percent. Merkur XR4Ti, 3.2 percent.

Intermediates: Ford Mustang, 3.75 percent; Taurus, 3.3 percent. Mercury Sable, 2.5 percent. Merkur Scorpio, 4.0 percent. Lincoln Continental, 7.3 percent; Mark VII, 4.51 percent;

Standard-sized: Ford Crown Victoria, 4.7 percent. Mercury Grand Marquis, 4.6 percent. Lincoln Town Car, 4.4 percent.

Overall, Ford has raised prices on 57 models an average of $586 per car, according to Automotive News calculations. The figure is not weighted to reflect varying sales volumes of each car.

The comparison doesn't include the Mustang LX 5.0-liter series, which is new for 1989, and the Ford Probe, which was introduced as a 1989 model last May. Probe prices were boosted for the second time since introduction. The newest round averages 1.9 percent.

Ford hasn't announced prices for its new Ford Thunderbird and Mercury Cougar models. Those cars will debut late this year.

Most of Ford's 1989 products will officially go on sale Oct. 6.

Ford Prices, 1989 vs. 1988

Following is a comparison of 1989 and 1988 Manufacturer's Suggested Retail Prices of Ford Motor Co. cars. The 1989 prices are introductory prices; the 1988 prices are those in effect at the end of the model year. No adjustments have been made for year-to-year equipment changes.

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FORD	1989 Price	Final 1988 Price	Increase
Festiva			
L 2-door hatchback	$ 5,699	$ 5,595	$ 104
L-plus 2-door hatchback	6,372	6,177	195
LX 2-door hatchback	7,101	6,906	195
Escort			
Pony 2-door hatchback	6,964	6,747	217
LX 2-door hatchback	7,349	7,127	222
LX 4-door hatchback	7,679	7,457	222
LX 4-door wagon	8,280	8,058	222
GT 2-door hatchback	9,315	9,093	222
Mustang			
LX 2-door sedan	9,050	8,835	215
LX 2-door hatchback	9,556	9,341	215
LX convertible	14,140	13,702	438
LX 5.0L Sport 2-door sedan	11,410	—	—
LX 5.0L Sport 2-door hatchback	12,263	—	—
LX 5.0L Sport convertible	17,001	—	—
G 2-door hatchback	13,272	12,745	527
GT convertible	17,512	16,610	902
Probe*			
GL 2-door hatchback	10,943	10,660	283
LX 2-door hatchback	11,769	11,644	125
GT 2-door hatchabackhz	14,077	13,794	283
Tempo			
GL 2-door sedan	9,057	8,658	399
GL 4-door sedan	9,207	8,808	399
GLS 2-door sedan	9,697	9,249	448
GLS 4-door sedan	9,848	9,400	448
LX 4-door sedan	10,156	9,737	419
4-door sedan (4wd)	10,860	10,413	447
Taurus			
L 4-door sedan	11,778	11,380	398
L wagon	13,143	12,684	459
GL 4-door sedan	12,203	11,887	316
GL wagon	13,544	13,167	377
LX 4-door sedan	15,282	14,966	316
LX wagon	16,525	15,748	777
Crown Victoria			
4-door sedan	15,851	15,241	610
LX 4-door sedan	16,767	16,157	610
LX 4-door wagon	17,238	16,455	783
S Series 4-door sedan	15,434	14,676	758
S Series 4-door wagon	$16,208	$15,311	$ 897
Country Squire			
4-door wagon	16,527	15,744	783
Country Squire LX			
4-door wagon	17,556	16,773	783
*—Introduced as a 1989 model in May 1988.			
LINCOLN-MERCURY			
Tracer			
2-door hatchback	8,556	8,216	340
4-door hatchback	9,242	8,914	328
4-door wagon	9,726	9,399	327
Topaz			
GS 2-door sedan	9,577	9,166	411
GS 4-door sedan	9,734	9,323	411
XR5 2-door sedan	10,498	10,058	440
LTS 4-door sedan	11,980	11,541	439
LS 4-door sedan	11,030	10,591	439
Sable			
GS 4-door sedan	14,102	13,772	330
GS 4-door wagon	14,804	14,413	391
LS 4-door sedan	15,093	14,765	330
LS 4-door wagon	15,873	15,482	391
Grand Marquis			
GS 4-door sedan	16,701	16,079	622
LS 4-door sedan	17,213	16,591	622
Colony Park GS 4-door	17,338	16,428	910
Colony Park LS			
4-door wagon	17,922	17,012	910
Town Car			
4-door sedan	25,562	24,373	1,189
Signature 4-door sedan	28,563	27,374	1,189
Cartier 4-door sedan	29,709	28,520	1,189
Mark VII			
LSC 2-door	27,569	26,380	1,189
Bill Blass 2-door	27,569	26,380	1,189
Continental			
4-door sedan	28,032	26,078	1,954
Signature 4-door sedan	29,910	27,944	1,966
Merkur XR4Ti			
2-door hatchback	19,759	19,142	617
Merkur Scorpio			
4-door hatchback	25,052	24,090	962

Nissan adds $400-plus to many cars

CARSON, Calif. — Nissan Motor Corp. in U.S.A. last week announced a price increase averaging $316, or 3.2 percent, on its 1989 cars and trucks, but that was only the beginning of the story.

Nissan declined to supply separate figures for the car and truck increases. Some trucks had moderate hikes, and many other pickups have been reduced for 1989. That means the car price boost was considerably higher than the $316 average for all vehicles.

Automotive News estimates that the Nissan cars priced last week went up an average of more than $400 over the final 1988 prices.

Several models in the Sentra, 240-SX and 300-ZX series went up $400 to $653, while the Pulsar series shows no change.

In the Sentra line, which is Nissan's best seller with about 40 percent of its U.S. sales, the base two-door sedan climbed only $150, to $6,849. A station wagon was unchanged, and the Sentra E four-door sedan was reduced $100.

However, other Sentra manual-transmission models were boosted $400 to $550, and cars with automatic transmission went up $45 in addition to that. The Sentra increases on individual models were as high as 5.6 percent.

Stanza sedans rose $350, and automatics went up that amount plus an extra $35.

The 240-SX series, which replaces the 200-SX, checked in with increases of $450 to $595 on comparable models. The 240-SX line starts at $12,999.

The 300-ZX sports cars received the largest bumps — $600 per model plus another $35 to $53 on cars with automatic transmission. The 300-ZX coupes are priced from $22,299.

Nissan's new Maxima models and its Pathfinder sport-utility vehicles will be priced later. They are scheduled to go on sale Oct. 31.

The base two-wheel-drive pickup truck was increased $150 and now is $7,399.

Other trucks are difficult to compare because of changes in model and series designations, but Nissan appears to have reduced prices on a number of 1989 pickups in an effort to stimulate sales, which were down 22.61 percent for the first eight months of this year.

Car-truck sales falter

Deliveries drop 9% for early September

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Early-September domestic-car and light-truck sales fell 8.95 percent from the year-ago period, primarily because of a 12.61 percent decline in sales of U.S.-built cars.

Only Honda and Nissan reported year-to-year car sales increases, although Ford and Chrysler Motors reported gains in domestic light-truck sales.

Combined domestic car and truck deliveries for Sept. 1-10 totaled 242,368, off 23,824 units from 266,192 a year ago.

The General Motors domestic car and truck total fell 16.52 percent; Ford car and truck sales declined 6.38 percent; and Chrysler car and truck sales were off 3.81 percent. Sales of U.S.-built Nissan cars and light trucks rose 51.34 percent.

Retail deliveries of U.S.-built new cars totaled 155,131 in early September vs. 177,512 last year.

The daily-selling rate in the Sept. 1-10 period was 19,391, off 2,798 cars, or 12.61 percent, from 22,189 last year. Both periods had eight selling days.

Honda sold 41.33 percent more U.S.-built cars in early September than it did last year. Nissan's U.S.-built-car sales were up 19.06 percent. However, Toyota's declined 41.77 percent.

GM's Sept. 1-10 new-car sales were 16,435 units or 18.05 percent below last year's early-September totals, and Ford's sales fell 11.56 percent. Chrysler Motors' retail deliveries were down 10.16 percent.

In the first 10 days of September, Mazda sold 506 cars produced at its Flat Rock, Mich., plant.

Sales of U.S.-built light trucks dipped 1.63 percent for Sept. 1-10. The total was 87,237 vs. 88,680 last year.

Nissan sold twice as many U.S.-built light trucks as it did a year ago. Ford and Chrysler sales rose slightly, while GM sales declined 12.80 percent.

DOMESTIC SALES

	Sept. 1-10, 1988	Sept. 1-10, 1987
Eagle	1,008	550
Chrysler	4,963	7,792
Plymouth	5,609	6,298
Dodge	8,777	8,019
Chrysler Motors	20,357	22,659
Ford	31,275	34,569
Mercury	9,372	12,232
Lincoln	4,671	4,442
Ford Motor Co.	45,318	51,243
Buick	12,535	14,316
Cadillac	4,557	6,943
Chevrolet	24,254	35,907
Oldsmobile	16,942	18,888
Pontiac	16,352	15,021
General Motors	74,640	91,075
Volkswagen	—	1,080
Honda	9,660	6,835
Nissan	3,836	3,222
Toyota	814	1,398
Mazda	506	—
U.S. Industry Total	155,131	177,512

Cafaro and his company move up to 95% of Avanti

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Developer J.J. Cafaro has purchased a 47.5 percent interest in New Avanti Motor Corp. from Michael Kelly, former president and co-owner.

Kelly had sold 47.5 percent of the luxury-car maker to Cafaro Co. of Youngstown a year ago for an estimated $1.5 million. J.J. Cafaro is executive vice president of that company.

Kelly had purchased the ailing auto firm in 1986 for $725,000 and moved it to Youngstown, Ohio, from South Bend, Ind., last year.

Cafaro declined to disclose the purchase price for the 47.5 percent he purchased from Kelly.

A statement said he will continue with Avanti while Kelly will leave the company to concentrate on the American distribution and sales of Puma, a Brazilian-built sports car that will be sold through Avanti dealerships. In July, a company official said Cafaro had relieved Kelly of management of New Avanti Motor so he could operate Puma Motors Corp., a subsidiary of Avanti.

"In recent months, it has become increasingly clear that the dual demands of the Avanti and Puma divisions were too much for any one person to handle," said Cafaro. Cafaro said the company expects to launch three new car lines in 12 months and to increase the number of Avanti dealers.

A company spokesman said Youngstown could be the site of a second assembly plant when Kelly begins bringing the Puma to the United States.

PRODUCTION

Truck output highest in 4 months

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Last week's targeted domestic truck production of 89,230 was the highest since the week ended May 21, when 92,256 trucks were built.

The truckmakers' schedule last week was 25.12 percent higher than the prior week's 71,314 and 18.85 percent more than the year-ago week's 75,077.

Year-to-date, 2,927,090 units have been assembled, 8.82 percent more than the 2,689,745 completed last year at this point.

Car output was estimated at 145,467 units last week, 19.62 percent more than the previous week's 121,609 and 10.79 percent more than the year-ago week's 131,295.

So far this year, 4,889,172 cars have been built, 3.49 percent below the 5,065,847 assembled last year at this time.

Companies split last week's scheduled production as follows: General Motors, 51.21 percent; Ford Motor Co., 23.62 percent; Chrysler Motors, 14.68 percent; Honda of America Manufacturing Inc., 4.96 percent; Mazda Motor Manfacturing (U.S.A.) Corp., 3.27 percent; Nissan Motor Manfacturing Co. U.S.A., 1.97 percent; and New United Motor Manufacturing Inc., 0.29 percent.

NUMMI's plant in Fremont, Calif., closed last Tuesday for model changeover. When it reopens Sept. 26, it will build the 1989 Toyota Corolla sedan, and in November, the new 1989 Geo Prizm, which replaces the Chevrolet Nova.

GM's Doraville, Ga., plant remains closed until Sept. 26 for changes in operating plans.

Ford's Lorain, Ohio, plant will be idle until early October for model changeover.

Chrysler's Newark, Del., facility will be closed until mid-October for changeover.

GM slated overtime last Saturday at its Van Nuys, Calif.; Lordstown, Ohio; and Lansing, Mich., plants.

Canada climbs to 19,581 cars

Canadian auto output was scheduled at 19,581 units last week, 20.49 percent more than the prior week's 16,251 and 24.78 percent more than the year-ago week's 15,692.

So far this year, 760,068 cars have been built, 41.26 percent more than the 538,071 completed last year at this point.

Truckmakers estimated assembly of 20,193 units last week, 20.78 percent more than the previous week's 16,719 and almost double the year-ago week's 10,250, which was affected by a strike against Chrysler.

Year-to-date, 645,389 trucks have been built, 10.49 percent more than the 584,115 assembled last year at this time.

Workers at Volvo's Halifax, Nova Scotia, plant remained on strike last week over pensions, wages and union representation on the shop floor. The strike began Aug. 24. A company spokesman said negotiations are continuing.

U.S. CAR	Week Ended Sept. 17, 1988	Week Ended Sept. 19, 1987	Week Ended Sept. 10, 1988	Sept. to Date	Jan. 1 to Sept. 17, 1988	Jan. 1 to Sept. 19, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	1,500	464	1,147	3,145	57,782	33,640
Sundance	2,000	1,674	1,581	4,247	72,455	66,414
Reliant	2,100	3,515	1,665	4,425	61,676	85,590
Caravelle	0	590	0	0	9,087	34,108
Gran Fury	200	214	221	521	16,345	4,567
Total Plymouth	5,800	6,457	4,614	12,336	217,345	224,319
LeBaron K	0	943	0	0	7,912	50,599
LeBaron J	2,000	2,164	1,613	4,371	54,240	81,784
LeBaron GTS	150	812	177	390	6,646	28,803
N. Yorker E-Class	0	55	0	0	0	56,425
N. Yorker C-Class	1,800	281	1,664	4,233	73,999	2,088
Fifth Avenue	700	2,543	802	1,900	20,980	40,467
Total Chrysler	4,650	6,798	4,256	10,894	163,777	260,166
Omni	1,400	422	1,173	3,067	56,409	29,014
Daytona	2,000	2,101	1,609	4,377	53,470	42,575
Shadow	2,200	1,854	1,701	4,655	71,996	68,843
Aries	2,100	2,905	1,723	4,581	60,288	79,350
Dodge 600	0	475	0	0	8,549	30,431
Dynasty	2,700	76	2,096	5,750	73,586	474
Lancer	200	500	124	386	6,394	17,982
Diplomat	300	597	215	636	14,038	8,568
Total Dodge	10,900	8,930	8,641	23,451	344,730	277,237
CHRYSLER MOTORS	21,350	22,185	17,511	46,683	725,652	777,716
Escort	9,010	9,349	6,450	18,862	278,363	271,640
Mustang	4,487	4,564	3,482	9,654	143,319	153,609
Tempo	3,555	660	3,115	7,945	131,529	101,389
Taurus	8,388	8,845	6,378	17,814	280,331	295,825
Thunderbird	0	2,769	0	0	90,246	111,935
Total Ford Div.	25,440	26,187	19,425	54,275	923,788	934,398
Lynx	0	0	0	0	0	21,352
Topaz	1,516	178	1,286	3,277	49,908	33,345
Cougar	0	2,772	0	0	69,686	100,130
Sable	2,777	1,406	2,040	5,745	95,232	92,503
Total Mercury	4,293	4,356	3,326	9,021	214,826	247,330
Continental	1,138	0	1,175	2,896	33,603	9,610
Mark VII	883	655	596	1,769	18,241	20,034
Lincoln	2,610	3,280	1,795	5,279	91,350	100,780
Total Lincoln	4,631	3,935	3,566	9,944	143,194	130,424
Total L-M Division	8,924	8,291	6,892	18,966	358,020	377,754
FORD MOTOR CO.	34,364	34,478	26,317	73,241	1,281,808	1,312,152
Skyhawk	519	1,217	430	1,142	12,387	22,030
Skylark/Somerset	1,175	1,486	1,051	2,790	34,501	44,515
Century	4,763	1,135	3,723	10,203	84,897	119,879
Regal (rwd)	0	670	0	0	0	32,096
Riviera	521	268	342	978	4,872	9,264
Electra	1,229	1,907	935	2,651	59,095	64,991
LeSabre (fwd)	2,925	4,867	2,860	5,871	91,465	103,939
LeSabre (rwd)	205	143	184	1,559	9,881	6,541
Reatta	231	0	149	476	6,638	0
Total Buick	11,568	11,693	9,674	25,670	303,736	403,255
Cimmaron	0	303	0	0	3,693	8,281
Eldorado	542	376	339	1,009	25,077	13,802
Seville	410	456	268	771	15,715	11,815
Brougham (rwd)	905	1,621	864	2,088	23,189	49,467
Deville (fwd)	3,024	3,212	1,700	5,281	103,697	100,877
Allante	65	139	32	102	1,244	3,775
Total Cadillac	4,946	6,107	3,203	9,251	172,615	188,017
Cavalier	7,804	4,272	6,141	16,603	256,207	222,186
Camaro	2,343	2,330	1,621	4,786	62,755	87,896
Celebrity	3,393	4,353	3,224	8,023	129,121	212,574
Corsica/Beretta	10,367	7,398	9,417	23,462	298,644	229,985
Monte Carlo	0	1,633	0	0	0	50,186
Caprice	4,233	2,331	3,736	9,454	148,780	131,933
Corvette	450	644	362	992	15,813	19,600
Total Chevrolet	28,590	22,961	24,501	63,321	911,320	954,360
Calais	3,625	3,094	2,638	7,210	78,466	80,690
Firenza	0	310	0	0	5,230	4,193
Cutlass Ciera	1,218	33	819	2,355	17,051	100,051
Cutlass Supreme	0	1,712	2,804	4,177	100,822	54,881
Toronado	169	311	104	325	10,932	11,015
88 (fwd)	3,147	4,025	2,126	6,375	109,250	122,430
88 (rwd)	105	16	146	331	8,514	10,673
Olds 98	1,087	1,863	912	2,439	52,146	49,478
Total Oldsmobile	9,351	11,364	9,549	23,210	382,411	442,005
Sunbird	2,557	1,059	2,097	5,657	75,870	65,067
Grand Am	6,000	5,022	4,223	12,154	165,078	171,131
Firebird	1,475	1,274	1,173	3,188	43,348	58,201
Grand Prix	4,365	0	3,038	9,024	93,165	0
Pontiac 6000	2,823	0	2,744	6,489	58,285	56,319
Bonneville	2,669	2,643	2,112	5,799	80,054	92,253
Safari/Parisienne	150	94	116	325	5,725	6,986
Fiero	0	636	0	0	13,260	21,489
Total Pontiac	20,039	10,728	15,503	42,636	534,785	471,446
GENERAL MOTORS	74,494	62,853	62,430	164,087	2,304,867	2,459,083
HONDA	7,220	5,542	5,886	16,033	261,006	237,530
Civic	2,000	100	1,875	4,923	75,432	71,627
Accord	5,220	5,442	4,011	11,110	185,574	165,903
MAZDA†	4,750	93	4,513	11,025	90,721	0
NISSAN	2,870	2,581	2,302	6,331	78,304	94,982
NUMMI	419	3,563	2,650	4,384	111,019	141,255
Corolla	181	940	949	1,599	40,531	30,242
Nova	238	2,623	1,701	2,785	70,488	111,013
VOLKSWAGEN	0	0	0	0	35,595	43,129
Golf/GTI	0	0	0	0	30,042	34,775
Jetta	0	0	0	0	5,553	8,354
Total Cars, U.S.	145,467	131,295	121,609	321,784	4,889,172	5,065,847
Total Cars, Canada	19,581	15,692	16,251	43,037	760,068	538,071
U.S., Canada Cars	165,048	146,987	137,860	364,821	5,649,240	5,603,918
U.S., Canada Cars and Trucks	274,471	232,314	225,893	601,287	9,221,719	8,877,778

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Sept. 17, 1988	Week Ended Sept. 19, 1987	Week Ended Sept. 10, 1988	Sept. to Date	Jan. 1 to Sept. 17, 1988	Jan. 1 to Sept. 19, 1987
Eagle	0	—	0	0	0	—
Premier	1,275	—	1,275	2,936	43,594	—
CHRYSLER MOTORS	1,275	110	1,275	2,936	43,594	3,921
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,104	—	2,227	6,275	125,545	—
Topaz	1,546	—	1,108	3,075	47,282	—
Crown Victoria	2,813	—	2,086	5,893	90,725	—
Grand Marquis	2,947	—	2,200	6,200	91,509	—
FORD MOTOR CO.	10,410	5,175	7,621	21,443	355,061	314,334
Celebrity	152	—	198	414	15,038	—
Cutlass Ciera	2,664	—	2,680	6,689	170,247	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	0	29,675	—
Regal	3,600	—	3,388	8,505	111,532	—
GENERAL MOTORS	6,416	9,781	6,266	15,608	326,492	202,363
Civic	1,480	—	1,089	3,050	28,580	—
Accord	0	—	0	0	1,828	—
HONDA	1,480	401	1,089	3,050	30,408	10,181
VOLVO	0	225	0	0	4,513	7,272
Total Cars, Canada	19,581	15,692	16,251	43,037	760,068	538,071

U.S. TRUCK☆	Week Ended Sept. 17, 1988	Week Ended Sept. 19, 1987	Week Ended Sept. 10, 1988	Sept. to Date	Jan. 1 to Sept. 17, 1988	Jan. 1 to Sept. 19, 1987
Caravan	2,100	—	1,943	4,827	67,192	—
Dakota	2,300	—	1,681	4,823	74,624	—
Mini-Ram Van	300	—	176	520	9,552	—
Pickups	2,300	—	1,665	4,808	53,094	—
Total Dodge	7,000	9,001	5,465	14,979	204,462	197,520
Cherokee	4,400	—	3,673	9,506	128,650	—
Commanche	1,000	—	834	2,146	32,253	—
Grand Wagoneer	300	—	280	580	9,771	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	192	472	7,482	—
Total Jeep	5,900	4,633	4,979	12,704	178,156	159,190
Voyager	2,100	—	1,841	4,696	63,509	—
Total Plymouth	2,100	—	1,841	4,696	63,509	—
CHRYSLER MOTORS	15,000	13,634	12,285	32,379	446,127	356,710
Aerostar	4,968	—	3,948	10,811	144,599	—
Bronco	1,057	—	720	2,128	39,240	—
Bronco II	2,685	—	2,049	5,900	92,515	—
Econoline	5,468	—	4,102	11,463	167,999	—
Heavy trucks	1,301	—	1,056	2,886	47,215	—
Light trucks	10,963	—	8,136	23,011	347,942	—
Ranger	6,769	—	5,013	14,488	249,846	—
Total Ford Div.	33,231	31,016	25,024	70,688	1,089,356	1,053,609
FORD MOTOR CO.	33,231	31,016	25,024	70,688	1,089,356	1,053,609
Astro	3,500	—	2,554	7,298	124,835	—
Blazer	532	—	449	1,169	16,573	—
Mediums/Heavies	420	—	468	1,133	14,732	—
P-Model	898	—	686	1,930	29,266	—
Pickups	8,079	—	6,638	17,296	248,864	—
S-10	5,971	—	5,421	13,494	215,795	—
S-10 Blazer	3,925	—	3,094	8,364	116,984	—
Sportsvan/Van	2,218	—	1,589	4,539	67,493	—
Suburban	1,384	—	1,104	2,982	49,767	—
Total Chevrolet	26,927	15,680	22,003	58,205	886,309	796,551
Jimmy	154	—	101	314	5,360	—
Mediums/Heavies	680	—	429	1,307	27,633	—
P-Model	122	—	106	269	3,936	—
Pickups	2,521	—	1,805	5,127	76,462	—
S-15	1,325	—	1,280	3,101	48,855	—
S-15 Jimmy	1,175	—	1,025	2,572	33,426	—
Safari	886	—	777	2,020	32,000	—
Suburban	673	—	540	1,464	22,054	—
Vandura/Rally Vans	696	—	696	1,618	25,168	—
Total GMC	8,232	8,223	6,759	17,792	274,894	272,201
GENERAL MOTORS	35,159	23,903	28,762	75,997	1,161,203	1,068,752
NAVISTAR	1,700	1,617	1,365	3,629	61,190	52,405
NISSAN	1,390	2,157	1,128	3,068	68,014	62,309
AM GENERAL*	450	450	450	1,080	16,560	11,160
MISCELLANEOUS*	2,300	2,300	2,300	5,520	84,640	84,800
Total Trucks, U.S.	89,230	75,077	71,314	192,362	2,927,090	2,689,745

CANADIAN TRUCK	Week Ended Sept. 17, 1988	Week Ended Sept. 19, 1987	Week Ended Sept. 10, 1988	Sept. to Date	Jan. 1 to Sept. 17, 1988	Jan. 1 to Sept. 19, 1987
Caravan	2,928	—	2,436	6,451	100,260	—
Mini-Ram Van	204	—	184	443	9,166	—
Ram Wagon	768	—	515	1,504	17,793	—
Ram Van	2,052	—	1,441	4,187	47,673	—
Total Dodge	5,952	1,407	4,576	12,585	174,892	286,566
Voyager	3,012	—	2,573	6,453	89,647	—
Total Plymouth	3,012	—	2,573	6,453	89,647	—
Wrangler	1,248	—	1,147	2,824	35,471	—
Total Jeep	1,248	923	1,147	2,824	35,471	24,291
CHRYSLER MOTORS	10,212	2,330	8,296	21,862	300,010	310,857
FORD MTR. (lt. trks.)	3,636	3,260	2,486	7,269	114,328	105,716
Light trucks	3,032	—	2,866	7,131	107,392	—
Vans	1,260	—	1,074	2,870	40,773	—
Total Chevrolet	4,292	—	3,940	10,002	148,165	—
Light trucks	1,288	—	1,147	3,051	53,933	—
Vans	495	—	642	1,333	20,883	—
Total GMC	1,783	—	1,789	4,384	74,816	—
GENERAL MOTORS	6,075	4,432	5,729	14,386	222,981	160,735
NAVISTAR	270	228	208	586	8,070	6,807
Total Trks., Canada	20,193	10,250	16,719	44,103	645,389	584,115
U.S., Canada Trks.	109,423	85,327	88,033	236,466	3,572,479	3,273,860

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

NOTE

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GM kicks off lower-rate lease plan

SmartLease first divisionwide effort

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT -- A new volley in the incentive wars will be launched today, as General Motors begins its first corporate-wide uniform leasing program on all new 1988 and 1989 vehicles.

The low-rate lease program is supported by an intensive advertising campaign that began on last night's Olympics telecast.

The consumer leasing program represents yet another effort by GM to boost its long-suffering market share with a fast start to the new model year. The program also is a move to try to capture some of the growing retail leasing market, a market in which GM has not performed well of late.

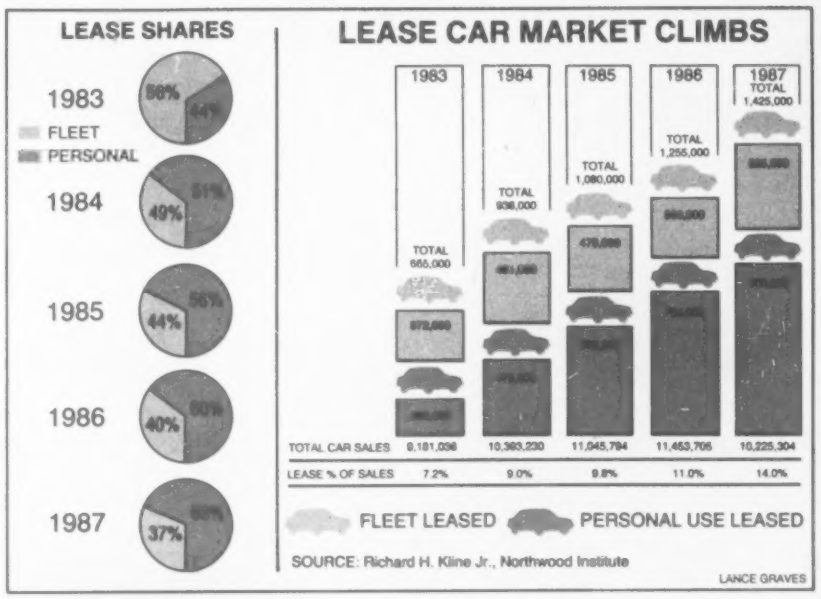
The automaker's financing subsidiary, General Motors Acceptance Corp., kicks off the program, SmartLease by GMAC, today.

SmartLease is a streamlined lease agreement that provides the customer with the option of giving back the car after the 48-month term or buying it. The lease spells out the price the person leasing the car will have to pay to buy the car at the end of the lease — something Ford Motor Credit and other financial institutions have offered for years.

Previous GMAC leasing programs have simply said the purchase price will be the fair market value when the lease expires. SmartLease also will offer special incentives on selected new 1989 GM vehicles through Dec. 31.

For example, on a vehicle with a sticker price of $15,000 and a fixed price of $5,000 to buy the vehicle at the end of the 48-month term, the monthly lease payment would be $309.

see SMARTLEASE, page 56



LEASING: *Rebound seen as customers seek low monthly payments*

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Two years ago, the number of retail auto leases written by the Big 3's financial arms plunged to the lowest point in the decade after more than five years of continuous growth.

Incentives and customer acceptance of 60-month financing had stunted retail leasing for General Motors Acceptance Corp., Ford Motor Credit Co. and Chrysler Credit Corp. while other financial institutions saw only modest gains in their portfolios.

But the pace of retail leasing has picked up this year, unencumbered by blockbuster interest-rate incentives. And it may get another year-end boost as GM enters the fray with a broadsword lease program this week.

Nevertheless, leasing has yet to be the merchandising tidal wave that some industry observers had predicted.

Best industry estimates put the entire lease market — for both fleets and retail — at only 14 percent of all cars delivered in 1987. And the personal-use lease segment accounted for less than 9 percent of 1987 deliveries, according to Richard H. Kline Jr., chairman of the automotive marketing department at Northwood Institute.

Meanwhile, the National Vehicle Leasing Association is predicting growth of about one percent a year in retail leasing. Bill Neremberg, executive director, predicted 1988 could be the year that retail leases top 1.1 million units.

"It's growing fast," he said. "Industry revenues for cars and trucks grew 240 percent between 1975 and 1986, from $15.7 billion to $53.4 billion."

Fueling customer interest in leasing is the gradual phasing out of federal income tax benefits for financing a car. This year, a car buyer may deduct 40 percent of the interest paid on an automobile, but that will drop to 20 percent in 1989, 10 percent in 1990 and zero in 1991.

"Leasing will become more attractive because the tax (break) will soon disappear for financing a car," said Stuart H. Angert, senior vice president — automotive marketing for Marine Midland Automotive Financial Corp.

Other industry officials agree that leasing is gaining ground, but they say the driving force is the difference in monthly payments between financing and leasing a car.

"The price alone is bringing leasing before the public," said Fred Winkler Jr., director of direct leasing for GMAC. "There is little or no downpayment, and the monthly payment is lower. Elimination of interest de-

see LEASING, page 56

GM seizes giant Chevy dealership

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

Jim Johnson Chevrolet, the nation's largest retailer of Chevrolet vehicles in 1987, has been taken over by General Motors, to which the dealership owes millions of dollars, and is being investigated by the Texas Motor Vehicle Commission.

In addition, three Dallas-area newspapers have filed petitions in U.S. Bankruptcy Court, seeking to force the dealership into liquidation because they together are owed more than $238,000.

GM's financing subsidiary, General Motors Acceptance Corp., has assumed control of the giant Richardson, Texas, dealership and is operating it under the name of Patlan Chevrolet with an interim manager until a new dealer can be found to buy the dealership.

It is the second time in less than a year that GMAC has taken over a Dallas-area dealership. Jim Johnson Chevrolet is the fourth large dealership in recent months to encounter severe financial difficulties.

GMAC earlier this year took over Parkway Pontiac in Dallas until a new owner was found. In New Jersey, Richard T. Pepe, one of the state's largest dealers with 10 outlets, filed bankruptcy, owing $26 million to creditors including GMAC. And in Glendora, Calif., Grand Chevrolet, another of Chevrolet's top retailers, also filed bankruptcy.

Johnson

In Richardson, Texas, J.S. Kavanagh, GMAC branch manager, would not reveal the amount of GMAC's losses from Jim Johnson Chevrolet. He would only say that those losses will be "sizable."

Robert Starr, Chevrolet general sales and service manager, declined to discuss the details of the dealership except to say that big dealers can make big money, but when they lose, they also lose big. Starr said Chevrolet dealers in general are having their most profitable year in history.

Sources familiar with Jim Johnson Chevrolet operations estimated the dealership's debts in the $10 million to $15 million range.

Jim Johnson, former owner of Jim Johnson Chevrolet, is working at his Chevy dealership in Austin, Texas. Johnson did not respond to numerous telephone calls and a telefax from Automotive News. One

see SEIZE, page 56

An 'ungreenfield' site

Japanese shape up UAW parts plant

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

TOLEDO, Ohio — When another Japanese auto parts plant comes to town, it's not big news anymore — in Ohio or in scores of other U.S. locations near auto assembly plants.

But the Japanese usually settle in greenfield sites far from union influence. When a major Japanese supplier buys an old auto parts plant with a UAW workforce — one so ornery it earned the label "little Jeep" — the industry's collective ears perk up.

That is the whole idea, as far as the UAW and northwest Ohio companies are concerned. They say the area could use an image boost, because the memory of a few highly publicized labor disputes hangs like a gritty cloud over the Toledo area.

When the Japanese rode into town and looked with favor on Mather Metals, an old forging operation, the UAW leadership in Region 2B — from Director Jack Sizemore to Plant Chairman Ken Zarecki — were quick to see the

see MATHER, page 37

AUTOMOTIVE NEWS/JOE WILSSENS
A New Mather Metals employee removes a bus sway bar

Toyota's goal for Lexus far short of Acura sales

By Matt DeLorenzo
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — While Honda is counting on its Acura Division as another high-volume channel, Toyota says its upscale Lexus line has a more limited goal of cracking the true luxury-car market.

"Lexus is different from Acura at every level," said James C. Perkins, senior vice president, Lexus Division. Unlike Acura, Perkins said, Lexus will launch with two luxury models priced over $20,000 and will limit volume in order to maintain exclusivity.

"Acura has one entry-level luxury model in the Legend and a rebadged Honda Quint Integra that makes no pretense of belonging in the luxury market at all," he said. "In short, Lexus leapfrogs Acura and will offer the first true high-performance luxury sedan from Japan."

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Domestic franchises gain favor with dealers Page 4

BEST COPY AVAILABLE

CAFE ruling may bring GM windfall

1985 guzzler fines might be erased

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — Christmas came in September for many auto companies but especially for General Motors, as a federal appellate court reversed itself and reinstated EPA's adjustments used in determining corporate average fuel economy.

The windfall — which GM declined to quantify — appears to be enough to wipe out all of GM's potential civil penalties for failing to meet CAFE requirements. So, although GM has not said so, it may not need what it has requested from NHTSA: retroactive rollback of the 1985 CAFE standard and the lowering of the 1989 CAFE standard.

While GM may not need the rollbacks to come into compliance, it may still want them as a hedge against the future. Credits generated by such rollbacks can be carried forward as well as backward.

Although other automakers and importers don't have as many millions of dollars affected by the court decision, European importers who were subject to the CAFE fines of $5 per tenth of an mpg per car will either be home free or helped greatly.

Already, Aston Martin, Jaguar and Porsche have paid fines and Mercedes-Benz has refused to pay its civil penalties for the 1985 model year while it petitions for a retroactive rollback for both 1984 and 1985 models. In addition, Ford Motor Co. and other European makers have had to use some of their credits, and the court decision will negate some of those losses and perhaps allow them to build more cars with bigger engines.

But as important as the monetary issue is to the automakers, the court decision was perhaps more important to consumer groups because of the technical grounds upon which the reversal was made.

Cornish Hitchcock, attorney for Ralph Nader's Public Citizen and the independent Center for Auto Safety, said it was a devastating defeat for consumers because their

see CAFE, page 52

AUTOMOTIVE NEWS/JOE WILSSENS

Mayhew brings a mix of enthusiasm and experience to his job as Ford's North American design chief

MAYHEW: *Ford designer points to interiors, trucks as next big breakthroughs*

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DEARBORN, Mich. — Fred "Fritz" Mayhew, Ford Motor Co.'s North American design chief, has found an unlikely home for some of his art work: the 14th floor of the General Motors Building.

No, they aren't sleek, clay models of future Fords being scrutinized by GM executives. They are landscape paintings — a handful of them — that grace the halls on GM's executive floor.

Mayhew ranks himself as a painter of some renown on the local art scene, and GM art critics seem to agree. But his current job at Ford threatens that reputation because Mayhew now has little time or energy left for the canvas.

When Mayhew was named to succeed celebrated designer Jack Telnack 15 months ago, he was given a clear mission: Keep Ford on top of the automotive design world.

As with anyone who has big shoes to fill, the task won't be simple. For Mayhew, it won't be enough, either. He has also aimed Ford's design sights at breakthroughs on two other fronts: interiors and trucks.

With a head of gray and a bespectacled, boyish face, the 45-year-old Mayhew reflects a mix of enthusiasm and experience. And he is no stranger to the work that's been going on behind the closed doors of Ford's Dearborn design center.

He worked on the 1979 Mustang, the car that he credits with launching the design turnaround at Ford. Through a series of jobs, he also has had a hand in some notable successors to that effort — including the 1984 Tempo, 1986 Taurus, 1988 Continental and the 1989 Thunderbird.

His current job opened up last year when Donald Kopka, Ford's vice president for design, retired at age 60. Telnack replaced Kopka, and Mayhew stepped into Telnack's spot.

The move to the No. 2 position marked an obvious peak for Mayhew after a quarter century at Ford. And with Telnack just a few years his senior at age 50, Mayhew could well be in his present spot for some time.

Mayhew interviewed at GM and Ford after graduating from Carnegie Mellon University in 1963. Although trained as an industrial designer, he had become interested in automotive design while attending a GM-sponsored summer program. Mayhew picked Ford, in part because he was impressed by the work in process on the original Mustang at the time.

In recent years, the auto industry has relied more and more on the techniques of industrial design, a pursuit that stresses the blend of function and beauty in a product.

On interiors, though, Mayhew sees room for improvement. He disputes the industry's claim to good ergonomics. A friendly interior should pass a simple test, he says: A driver should be able to enter a strange car at night and operate it without having to fumble around for the controls.

Some designers outside the industry agree.

"The real arena of competition is going to be interiors," says Ron Hill, chairman of the industrial design department at the Art Center College of Design, Pasadena, Calif. "It's a much more difficult, multilayered task than exteriors. There's a lot of things that can be done to make them more exciting, more livable and safer."

Mayhew envisions a trend toward simplified ergonomics and a departure from some of the electronic clutter that is common today. There will be lighter, brighter colors on the inside. Controls that aren't used all the time won't be prominent.

"I think we'll see more innovative, creative forms in interiors — probably more sculptural, like our exteriors are," he says.

Today, no automaker has a clear lead in interior

see MAYHEW, page 54

Nissan introduces shop pact

Adesco in picture till suit is settled

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Nissan Motor Corp. in U.S.A. will launch its own extended service warranty program for Nissan dealers beginning Oct. 1, after its contract with Oklahoma-based Adesco Corp. expires.

But Adesco will continue to administer more than 500,000 existing warranties pending the outcome of a trial in U.S. District Court for the Central District of California, which is scheduled for January.

According to attorney Randy Huff, who represents Nissan in the lawsuit, the importer will pay claims on Adesco contracts presented by dealers but will be reimbursed by Adesco's insurers through Adesco.

"Adesco is still in the loop," he said. "Nissan is required by the insurance companies to submit its claims to Adesco for processing and then for payment, whether the claims are covered or not."

Any contracts written by Nissan after Oct. 1 will be administered and self-insured by the automaker.

Nissan sued Adesco and its affiliate, Oklahoma-based Minnehoma Insurance Co., in March, winning a temporary restraining order halting Adesco from terminating dealers in Florida and elsewhere from the program (Automotive News, March 28.)

The court will decide Nissan's right to administer the existing contracts and to replace Adesco subject to the consent of Adesco's insurers, Foremost Insurance Co., parent of Minnehoma, of Grand Rapids, Mich., and Republic Insurance Co. of Dallas.

A second issue involves the right of Nissan to administer those contracts as the insurer.

Adesco has sued several Nissan dealers in Florida, claiming incidents of fraud in their filing of claims for service and parts. The Florida lawsuits are pending.

Robert Stevens, national service contracts manager for Nissan, said it is Nissan's desire to administer

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Big 3 raise 4th-quarter production estimates

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

The Big 3 recently beefed up their fourth-quarter U.S. production forecasts, boosting the industry estimate almost 8 percent above the fourth quarter of 1987.

The three companies added almost 105,000 cars to their original fourth-quarter schedules (Automotive News, Aug. 8). The Big 3 and the transplants now project that 1,881,800 cars will be built during the fourth quarter, 7.93 percent more than last year's 1,743,515.

General Motors added about 56,000 cars to its original forecast, bringing its updated fourth-quarter schedule to 967,900 units, 15.23 percent more than the actual build of 839,946 last year.

Auto analyst Mike Luckey of Luckey Consulting Group Inc., Cresskill, N.J., said GM's market share will have to improve over the next few months or the company will end up in excess of an 80-day supply of cars by year-end.

Luckey believes GM will stick to its schedule and possibly offer incentives by year-end rather than scale back its production. However, there may be some cutbacks in the first quarter of the new year, he said.

GM has already scheduled January output at 117,000 cars more than it built in January of this year.

Ford Motor Co. recently raised its fourth-quarter total by about 25,000 cars, bringing it to 432,000, 6.32 percent below the 461,143 built in the final three months of 1987.

Ford's decrease can be attributed to the loss of Cougar and Thunderbird output at its Lorain, Ohio, plant, which is idle until early October for 1989 model changeover and will not be up to full line speeds in the fourth quarter.

Chrysler Motors has added about 23,000 cars to its original fourth quarter forecast, for a new total of 291,000, 2.80 percent more than the 283,062 built in the fourth quarter of 1987.

The transplant companies made no revisions to their fourth-quarter schedules.

U.S. CAR PRODUCTION FORECAST

	Fourth Quarter			Full Year		
	1988 Estimate	1987 Actual	Percent Change	1988 Estimate	1987 Actual	Percent Change
GM	967,900	839,946	+15.23	3,430,000	3,455,463	– 0.74
Ford	432,000	461,143	– 6.32	1,790,000	1,830,446	– 2.21
Chrysler	291,000	283,062	+ 2.80	1,063,000	1,109,411	– 4.18
Honda	87,500	80,227	+ 9.07	365,500	324,064	+12.79
NUMMI	18,200	38,901	–53.21	129,200	187,378	–31.05
Nissan	24,600	15,289	+60.90	108,800	117,334	– 7.27
Mazda	60,600	3,800	—	163,400	4,200	—
VW	0	21,147	—	36,000	66,696	–46.02
Industry	1,881,800	1,743,515	+ 7.93	7,085,900	7,094,992	– 0.13

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BUICK: *Reatta ragtop delayed, unfolds in 1990; Mertz sees Regal repeating 100,000 tally*

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

BIRMINGHAM, Mich. — Buick has delayed its Reatta convertible for another year.

The two-seat convertible was to be introduced during the 1989 model year but now will debut in the 1990 model year. Buick officials said engineering work is continuing in an effort to make the convertible top as easy as possible to lower and raise.

Despite the lack of a convertible for 1989, Buick predicts Reatta sales will reach 7,000 to 8,000 units in its first full model year on the market. Buick dealers will have sold about 3,000 Reattas by the end of the 1988 model year, Buick officials said. As of Aug. 31, Buick had sold 2,337 Reattas. The car was introduced in January.

Buick General Manager Edward Mertz, speaking at the division's 1989 preview, said Reatta is capturing buyers who previously owned products from other makers. A third of the buyers trade in a non-General Motors product. Those sales are about evenly divided between former owners of competing domestic and import products. Mertz said dealers have taken in Porsches, Mercedes-Benz models and even a Rolls-Royce.

A third of the Reatta buyers trade in a GM product, and about half of that group trade in a Buick. A third do not trade in a car but add the Reatta to their household fleet.

As for other products, Mertz predicted that sales of the Regal coupe will total 100,000 units for 1989, about even with the 1988 model year, its first year of production.

The average age of a Regal buyer is 45, compared with an average age of 50 for those who owned the previous rear-wheel-drive Regal. The average annual income for a Regal buyer is about $46,000.

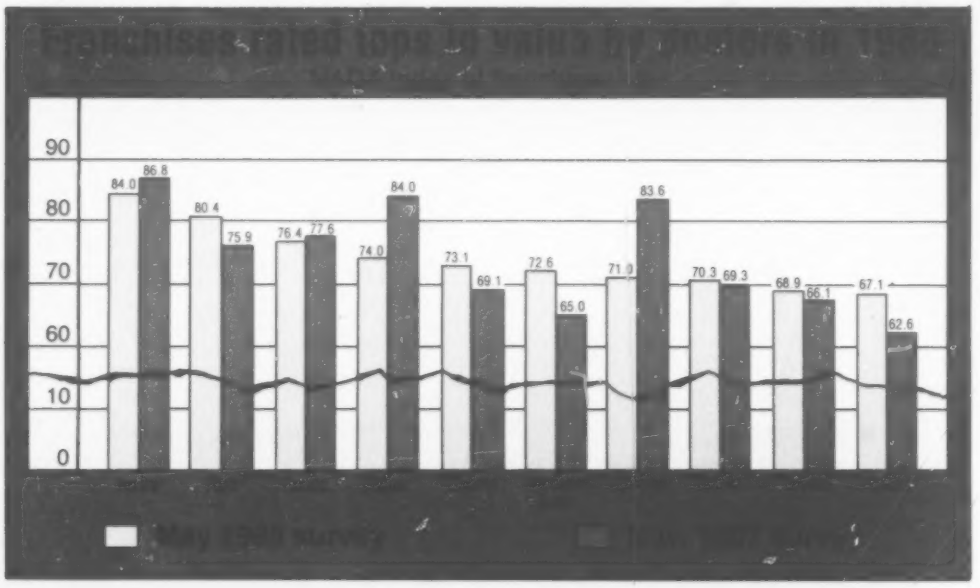
Mertz said the 1989 Riviera, which has been lengthened 11 inches and restyled in the tradition of Rivieras of the past, will have sales of about 18,000 to 20,000, about double the 1988 model-year total.

He said the division expects to boost its market share to 6 or 6.5 percent in the 1989 model year, up from 5.5 percent in the 1988 model year.

GM is predicting that industry car sales will be about 10 million units for the 1989 model year, which would mean 600,000 to 650,000 for Buick if it meets its market-share goal.

AUTOMOTIVE NEWS/JOE WILSSENS

Edward Mertz, Buick boss, and the restyled Riviera



Domestic franchises gain favor

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

New-car dealers are more confident about their domestic-make franchises and less confident about their import franchises than they were late last year.

Truck dealers, riding the crest of strong sales, remain confident about the value of their franchises.

Those are two of the findings of a National Automobile Dealers Association dealer attitude survey.

The changing confidence levels also altered the ranking of most-valued new-car franchises.

In the most recent survey, conducted last May, dealers no longer ranked BMW, Jeep-Eagle or Suzuki among the 10 most valuable franchises. New entries in the 10 most-valued were Pontiac, Toyota and Mercedes-Benz.

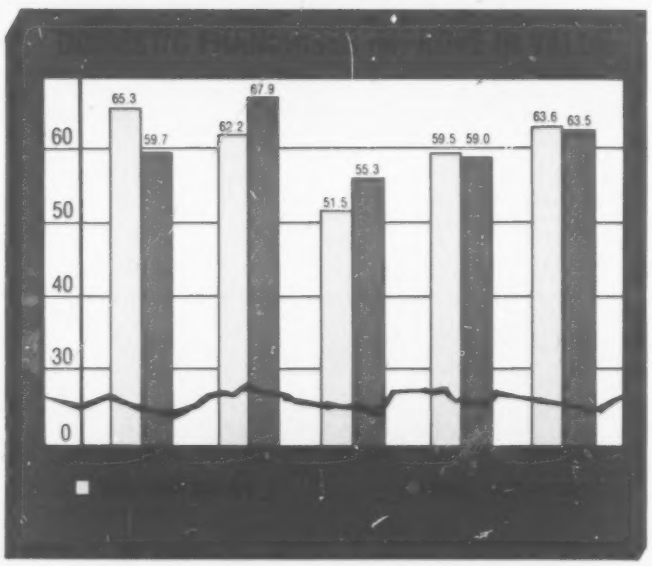
Although Acura, Honda, Hyundai and Mazda declined in perceived value, they remained among the 10 most valued franchises.

Dealers with European makes also were generally less confident of the value of their franchises.

Against the trend, however, were Mercedes-Benz dealers, who said the value of their franchise had increased.

The value index of a domestic franchise averaged 61.3 in the year-ago poll. It dropped to 59.7 in November 1987 and rose 5.6 points to 65.3 in May.

Asian franchises averaged 65.1 in May 1987 and rose to 67.9 in November 1987. In the most recent poll, the value of an Asian franchise dropped to 62.2.



The average perceived value of a European franchise has declined dramatically. In May 1987, the average rating was 63.6. Six months later, it was 55.3 and it declined further to a value index of 51.5 in May 1988.

Truck dealers remained confident about the value of their franchises. Last year, the average value was 63.5 and in the recent poll it was 63.6 points.

Freightliner ranked first on almost every survey question. Nearly 1,000 truck dealers responded to the survey.

The 13-question dealer survey is conducted twice a year and was first sent out in May 1985. Survey scores are based on three indexes: franchise value; the vehicle maker's product and service policies; and the "people" index, which monitors the makers' field staffs.

The highest domestic-based franchise scores belonged to Ford and Lincoln-Mercury. Ford's franchise value rating climbed 4.5 points and L-M's rose 4.0 points. All GM divisions received higher ratings in the recent poll.

Mazda's '89 forecast: 400,000 U.S. sales

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

NOVI, Mich. — Mazda Motors of America said it will increase its 1989 calendar-year new-car and truck sales in the United States to more than 400,000 units, in spite of a forecast for a softer new-car market and an average price hike of 2.7 percent on its carryover models.

George McCabe, deputy general manager, group sales vice president, said Mazda's car sales were up 35 percent through August. Eight-month sales of all Mazda vehicles, including trucks, rose from 222,805 last year to 243,026 this year, a gain of 9.1 percent, he said.

"We think we will surpass the 400,000-unit level in 1989, by holding steady with trucks (at approximately 100,000 units) and selling 14 percent more cars," McCabe told reporters at Mazda's new-model preview here.

Mazda's 1989 carryover lines — the 323, 626, MX-6 and 929 — will cost an average of $328.27 more than their comparably equipped 1988 counterparts. Prices for Mazda's two-wheel-drive trucks will go up 2.5 percent, or $213.

Prices of the carryovers range from $6,299 for the base 323 three-door hatchback to $21,920 for the top-of-the-line 929 four-door sedan. Prices of the RX-7, which will be marketed early in 1989, and trucks will be announced later.

Mazda's new MPV multipurpose vehicle, which will be classified a car, will carry base prices of $12,-909 for the five-passenger version and $13,759 for the seven-passenger with a manual transmission and four-cylinder engine. A two-passenger cargo MPV is priced at $10,989. Options include automatic transmission and a 3-liter V-6 engine.

The first-year sales target for the MPV, designed in Mazda's California studios, is 40,000 units, including 2,000 commercial vans and 4wd units scheduled to be imported next March.

Citing such economic realities as slower economic growth, a persistent federal deficit, dampened consumer purchasing power and a moderate rise in consumer prices, McCabe said, "We are predicting a softer market for new cars in 1989.

"We are forecasting a sales volume of 10.2 million cars and 4.7 million trucks, a 2.6 percent decline compared with 1988.

"To put it into words, 1989 is shaping up to be one tough, competitive year in the car business," McCabe said. "We at Mazda, however, look forward to the battle with confidence."

Mazda's four-wheel-steering system, offered only on the 626 GT sedan in 1988, will now be available only on the MX-6 GT sport coupe.

Because sales of the 626 have been on an upswing, McCabe said Mazda will begin production of the 626 at its Flat Rock, Mich., plant in the fall of 1989 "to give our dealers sufficient supply to meet demand."

At a press conference, Michinori Yamanouchi, managing director of the design division and general manager of the product planning and development division of Mazda Motor Corp., confirmed that Mazda is discussing with Ford Motor Co. the possibility of Mazda dealers selling Ford products in their Mazda dealerships. No decision has been made.

He said Mazda also is studying the possibility of opening a second, upscale brand network, as Toyota is doing with Lexus.

Yamanouchi said the Ford-Nissan joint venture to produce a multi-purpose vehicle will have no impact on Mazda's relationship with Ford.

"Mazda's development of a van started many years ago with the MPV," Yamanouchi said. "Our concept was in place when Ford began discussions with us. Our concept was different from Ford's concept and also different from its Aerostar. So we decided not to participate in a joint venture with Ford at that time."

In his presentation, Yoshinori Taura, Mazda Motors of America president, said several changes in the last two years have had a significant impact on the U.S. automotive industry.

"As a result, we, as well as our competitors, must learn to compete in new ways and with new skills," Taura said.

He said those changes include the weakened dollar; continued worldwide manufacturing overcapacity; near parity in the quality of domestic, Japanese and European products; emergence of Third World countries as low-cost producers; and the establishment of U.S. transplant operations by Japanese manufacturers.

August truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1988	TOTAL 1987
CHRYSLER-PLYMOUTH	MO	12,465						12,465	10,917
	YR	135,863						135,863	91,410
DODGE	MO	40,659						40,659	47,483
	YR	401,371						401,371	389,015
JEEP	MO	20,898						20,898	15,681
	YR	165,465						165,465	133,718
TOYOTA	MO	23,208						23,208	27,115
	YR	170,219						170,219	212,748
NISSAN	MO	16,875						16,075	18,042
	YR	114,848						114,848	148,397
MAZDA	MO	7,675						7,675	20,484
	YR	66,670						66,670	92,440
ISUZU	MO	9,689						9,689	8,233
	YR	56,451						56,451	61,595
MITSUBISHI	MO	2,874						2,874	4,055
	YR	30,143						30,143	34,021
SUZUKI	MO	12,206						12,206	7,905
	YR	49,756						49,756	59,182
RANGE ROVER	MO	346						346	272
	YR	2,198						2,198	1,301
FORD	MO	115,702	1,785		1,111	2,885	1,442	122,925	119,434
	YR	992,621	13,081		7,804	24,915	9,941	1,048,362	984,938
FREIGHTLINER	MO						1,098	1,098	2,201
	YR						14,978	14,978	15,218
CHEVROLET	MO	115,458		25	589	849		116,921	112,114
	YR	911,699		168	5,120	6,321	273	923,581	808,794
GMC	MO	30,198		421	655	1,247		32,521	31,568
	YR	243,499		3,526	9,177	11,197	1,090	268,489	238,565
KENWORTH	MO					22	971	993	1,245
	YR					312	10,392	10,704	9,295
MACK	MO				127	226	1,916	2,269	1,721
	YR				1,219	1,676	14,208	17,103	16,094
MERCEDES	MO				98	176		274	363
	YR				780	1,311		2,091	2,592
NAVISTAR	MO		19	28	1,664	3,561	2,651	7,923	6,213
	YR		159	239	12,329	21,481	22,253	56,452	47,228
PETERBILT	MO					33	848	881	1,010
	YR					205	9,979	10,184	7,522
VOLVO	MO					158	831	989	1,044
	YR					972	9,443	10,415	8,128
HINO	MO			57	38	66		161	144
	YR			415	331	586		1,332	1,227
NISSAN DIESEL	MO			72	18	78		168	137
	YR			498	209	665		1,372	1,095
ISUZU TRUCK	MO	376	49	4	31	41		501	320
	YR	3,125	257	87	627	257		4,353	3,715
MITSUBISHI FUSO	MO	135		38	12	44		229	184
	YR	897		312	151	412		1,772	926
SCANIA	MO						10	10	12
	YR						120	120	103
IVECO TRUCKS	MO	158	81	39	11			289	181
	YR	792	443	228	118			1,581	1,778
WESTERN STAR	MO						95	95	149
	YR						1,001	1,001	925
OTHER DOMESTICS	MO						57	57	94
	YR				31		550	581	837
GRAND TOTAL	MO	408,924	1,934	684	4,354	9,366	9,919	435,201	438,387
	YR	3,345,626	13,940	5,473	37,887	70,310	94,228	3,567,464	3,373,925
1987 YR to DATE		3,184,714	523	5,489	28,482	68,617	86,100	3,373,925	

NOTE: Class 3 total includes 55 Subarus sold in August, 1987; also, nine Subarus sold for eight months of 1988 and 1,052 sold for eight months of 1987.

August sales steady

Mediums rise sharply; others off a bit

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Manufacturers retailed a near record number of trucks in the United States during August, with the medium-duty models largely offsetting declines in the light- and heavy-truck segments.

Retail sales totaled 435,201 in August, 0.73 percent below 1987's 438,367, the record for the month.

The light-duty segment, including Classes 1-3, recorded 408,924 sales during the month, off 1.30 percent from 414,328 last year.

The medium-duty segment, including Classes 4-7, tallied 16,358 sales, up 20.70 percent from 13,553 a year earlier.

And the heavy Class 8 segment recorded 9,919 sales, off 5.59 percent from 10,506 in like 1987, the Motor Vehicle Manufacturers Association reported.

The month's downturn reflected some softening in a market that has otherwise been strong all year.

For eight months of calendar 1988, the industry retailed 3,567,464 trucks, up 5.74 percent from the year earlier's 3,373,925.

The light-duty segment recorded 3,345,626 sales, up 5.05 percent from 3,184,714 in like 1987.

The medium-duty segment recorded 127,610 sales, up 23.76 percent from a year earlier's 103,111.

And the heavy Class 8 segment had sales of 94,228, up 9.44 percent from 86,100 a year ago.

Class 4 — and specifically Ford's Super Duty chassis — has been the major force behind the medium-duty segment's sharp rise.

Class 4 had sales of 13,940 for eight months of 1988 compared to a scant 523 in like 1987.

Within Class 4, Ford's Super Duty accounted for 13,081 sales. The chassis was introduced in the fall of 1987 and has sold better than Ford expected.

Within the heavy segment, Freightliner and Kenworth fell from their earlier red-hot pace during August, while Ford, Mack and Navistar continued to show strong gains.

Freightliner's August sales of 1,098 were only about half the 2,201 in 1987, and Kenworth's 971 retail deliveries were down from 1,235.

Ford's 1,442 Class 8 deliveries, however, were up from 1,115 a year earlier. Mack's 1,916 Class 8 sales were up sharply from 1,369 last year. And Navistar's Class 8 sales of 2,651 showed a big gain over last year's 1,897.

Rockwell turns to systems

TROY, Mich. — To sustain its profitability, Rockwell International plans to produce and market complete driveline systems for trucks and also compete with General Motors' Allison Transmission Division in the automatic truck transmission market.

Arthur P. Ronan, president of Rockwell's automotive operations, forecast lower medium- and heavy-truck sales in the North American market in 1989.

Using Rockwell's fiscal year, which ends Sept. 30, as his time frame, he forecast 150,000 Class 8 truck sales in 1989, down from 165,000 to 167,000 in fiscal 1988.

He also foresaw 160,000 Class 6-7 truck sales in fiscal 1989, down from 170,000 to 172,000 in 1988.

Rockwell officials expect passenger-car sales to be "down slightly" in fiscal 1989.

Ronan said Rockwell's prices to original-equipment-makers are lower now than they were five years ago. OEMs are demanding more for less cost, he added.

Asked how Rockwell will continue to make a profit under those conditions, Ronan said it will supply systems, rather than single components.

He noted that none of the top three driveline-component suppliers (Rockwell, Dana and Eaton) currently makes all the parts for the truck driveline system.

He said Rockwell will get into the transmission and clutch business to augment its axles and brakes and will be able to sell complete driveline systems to the OEs. Rockwell will start selling clutches in January 1989, and transmissions about a year later.

He also said Rockwell intends to go after Allison by producing an automatic transmission, but he didn't say when.

Ronan said Rockwell's systems concept will proceed faster in the passenger-car market than in the truck market. He said Rockwell will supply a passenger-car front suspension system to Chrysler Motors, but didn't say when.

Noah's Freightliner
Freightliner Corp. donated this tractor to serve as "Noah's Ark" for the Smithsonian Institution's Biosphere II project. In recreating an ecosystem, the Smithsonian is moving some 700,000 pounds of soil and micro-organisms from Florida's Everglades to an enclosed dome in the Arizona desert. The horse and watchful policeman are not making the trip.

AROUND THE WORLD

Brazil sales, exports up in August

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — Brazil's auto industry had a bumper month in August, with domestic sales climbing 3.7 over July's and exports jumping 61 percent in volume and 47 percent in value.

The results, reported by the auto industry association ANFAVEA, also reflect a 20 percent increase in production in August over July.

Andre Beer, the group's president, said there was nothing to complain about in the numbers. "I'm going to keep quiet," he said, but then noted that the dollar value of exports, which increased to $315.4 million from July's $213 million, did not keep pace with the rise in export volume. As a result, manufacturers' margins are being squeezed.

He blamed the disparity on an overvalued cruzado, which is eroding profit margins on overseas sales.

However, he said that the increase in export unit volume, which ended a three-month slide, was heartening news.

"We are now worrying about next year," Beer said, alluding to the exchange-rate situation.

Vehicle production in August topped 100,000 for the first time this year, totaling 105,171 units, compared to 87,308 in July. It was the industry's best production performance since October 1985. Sales to dealers also were up, totaling 72,056 units in August compared to 69,500 the previous month.

August sales were the highest since October 1986. Those sales, however, came at a price, according to a dealer association.

"Sales were up 15 to 20 percent last month because we were giving discounts," lamented Jose Edgard Pereira Barretto Filho, president of the Sao Paulo State Vehicle Retailers Union.

"Our net margin of 11 percent has been reduced to zero by discounting," added Francisco Caltabiano, another director of the dealer group. The discounts were given to reduce stocks from 20 to 10 days from the end of July to the end of August.

"It's a buyer's market right now," said Beer.

The industry's profit margins on domestic sales were squeezed by price controls for almost a decade beginning in 1978, and the industry is still suffering on its export operations because of an overvalued local currency. Thus, the manufacturers have little sympathy for dealers, many of whom reportedly made handsome profits from illegal markups two years ago at the height of the consumer boom unleashed by the Cruzado Plan price freeze.

The industry itself has only just emerged from price controls.

While inflation in the first eight months of the year totaled 300.72 percent, the country's four automakers (Volkswagen, General Motors, Ford and Fiat) upped their prices an average of 470 percent. Beer explained the difference by saying manufacturing costs have risen in excess of inflation this year.

In announcing the August figures, Beer signaled that ANFAVEA will not waste any more time asking the government to devalue the cruzado or compensate for the tight export situation some other way, at least not for the time being.

BRAZIL AUTO STATISTICS

	Jan.-Aug. 1988	Jan.-Aug. 1987	Percent
Production	717,456	617,517	+16.2
Domestic market sales	479,341	373,832	+28.2
Exports	229,628	237,157	– 3.2
Exports in US $1,000	2,116,657	1,738,474	+21.8

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Australia's 1st vehicle heads for British rally

By Pedr Davis
SPECIAL CORRESPONDENT

SYDNEY, Australia — The first motor vehicle ever made in Australia will compete in this year's London-to-Brighton Run in England.

Work on the Shearer steam carriage began in 1893 and was completed in 1899. Virtually every component in the car was made by David Shearer and his brother, John, in the Shearer farm implement factory in South Australia.

David Shearer designed and built the vehicle without ever having seen a steam carriage. He made his own rack-and-pinion steering with pivoting stub axles and incorporated a full differential for the rear axle.

Shearer designed a horizontal, semi-flash water tube boiler to run at a pressure of 350 pounds per square inch. The vertical twin-cylinder engine developed 20 horsepower and was designed by J.A. Shearer, David's nephew.

A man of many talents, David Shearer was a skilled machinist and a recognized authority on metallurgy. In 1907, he built his own observatory and telescope and joined the British Astronomical Society.

Media motoring personality David Berthon, the organizer of the London-Brighton project, entered the Aussie steamer because "it is fitting that Australia's oldest car should participate internationally in our bicentennial year."

In all probability, the London-Brighton trip will be the Shearer's longest continuous run. The race, which will be held in November, is 60 miles long.

As far as is known, the longest previous trip took place in 1900 when David Shearer drove from his home town to Adelaide — a distance of 47 miles. The cruising speed is limited to 12 mph by the iron-clad wheels.

A large number of Australian-owned vehicles have taken part in the London-Brighton Run but this is the first attempt by an Australian-made vehicle.

Open-air 300-CE
A convertible version of the Mercedes-Benz 300-CE has been created by Coach Builders Ltd., High Springs, Fla. It features power-operated top, padded roof, color-coordinated headliner, structural reinforcement and padded top boot.

U.S. autos lead the way in Taiwan's import boom

By Stephen Vines
STAFF CORRESPONDENT

HONG KONG — Car imports to Taiwan tripled in the first six months of the year, but industry sources believe that rapid rate of increase cannot be sustained for the full year.

A total of 60,782 cars, worth $559 million, were imported in the first six months of the year, compared with last year's first-half imports of 19,991 vehicles, worth $171 million. The full-year estimate for imports is 120,000 units, compared with last year's record total of 48,275, indicating an increase of almost 150 percent.

U.S.cars led the list of imports in the first half.

Mao Jun-lun, a spokesman for the Taiwan Transportation Vehicle Manufacturers Association, said he expected the imports' market share to rise to 40 percent for the year, compared with last year's 22 percent, the current record.

The impressive hike in imports is due mainly to the rising level of prosperity in Taiwan and consequent higher amounts of disposable income in the hands of consumers.

Importers were given an added bonus this year when tariffs on imported cars were reduced to 42.5 percent from 55 percent. Nevertheless, prices of imported vehicles remain one-third higher than prices of comparable locally assembled models.

Taiwanese consumers are very keen on foreign cars; they view Taiwan-made vehicles as being of inferior quality. That impression was reinforced by the unsuccessful launch of Taiwan's first indigenously produced car, the Feeling, made by the country's largest motor manufacturer, Yue Loong. The Feeling 101 series was not a success and a re-launch is now in the pipeline.

The upmarket imported cars are particularly popular, and that explains the relatively high value of the imports relative to the number of vehicles imported.

After leading the imports for many years, West Germany has now been overtaken by the United States. The United States, which ranked fourth last year, shipped 18,403 cars to Taiwan in the first half of this year, compared with only 2,878 in the 1987 period.

Among the American imports were transplant-produced models like the Honda Accord. Direct imports of vehicles from Japan are banned, and it is likely that Japanese factories in the United States will be used more to circumvent the ban.

Large American cars also are starting to have an impact on the Taiwanese market. All major U.S. producers are beginning to take a serious look at Taiwan, with General Motors in the lead.

West Germany, headed by BMW and GM subsidiary Opel, remains a significant force in the market, having shipped 12,902 cars in the first half of the year, compared with 4,154 the previous year.

Other major players in the Taiwan market include Fiat, Spain's Seat, Rover Group, Saab and Volvo.

The Taiwan government has made it clear that despite a general intention to relax import duties, it will not ease the ban on Japanese imports. Although domestic producers are clearly unhappy with the importers' success, the government sees the import growth as a significant way of deflecting criticism of its trading policies.

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